
Community, Economic & Human Development Committee
Southern California Association of Governments
RHNA Subcommittee Meeting
October 19, 2006

Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA SUBCOMMITTEE. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The RHNA Subcommittee held its meeting at the Southern California Association of Governments, downtown Los Angeles. The meeting was called to order by Jon Edney, Chair. There was a quorum.

Members Present

Jon Edney	County of Imperial
Paul Nowatka	County of Los Angeles
Gil Coerper	County of Orange
Mary Ann Krause	County of Ventura

Member Alternates Present

Charles White	County of Riverside
Larry McCallon	County of San Bernardino
Carl Morehouse	County of Ventura

1.0 CALL TO ORDER & PLEDGE OF ALLEGIENCE

Hon. Jon Edney, Chair, called the meeting to order at 10:50 a.m. and Carl Morehouse led the group in the Pledge of Allegiance.

2.0 PUBLIC COMMENT PERIOD

3.0 REVIEW AND PRIORITIZE AGENDA ITEMS

4.0 CONSENT CALENDAR

Joanne Africa, SCAG Staff, read the following changes to the minutes of September 14, 2006, Page 34, Last Line, change "hide" to "high", Page 34, change the vote to 5 – 1. Hon. Mary Ann Krause also requested "retro" housing be changed to "rental" housing.

It was MOVED (Hon. Mary Ann Krause), SECONDED (Hon. Gil Coerper), and UNANIMOUSLY APPROVED.

4.1 Receive and File

4.1.1 Written Communication Regarding RHNAS Methodology

4.2 Consent Calendar

4.2.1 Minutes of CEHD RHNA Subcommittee Meeting #3 October 12, 2006

5.0 INFORMATION

5.1.1 County/City Growth Policies for Development of the RHNA Methodology

Lynn Harris, SCAG Staff, informed the group that this was one of the policy agreements to be discussed from Meeting #1. It turns out that this is not a policy area per se because we are required to honor and incorporate any existing and planned city/county growth agreements into the RHNA.

6.0 ACTION ITEMS

6.1.1 Continuation of Deliberation on Housing Cost Factor and a Diversity Policy for Fair Share Adjustments (from October 12, 2006 meeting)

Joe Carreras, SCAG Staff, provided clarification information on the modest adjustment in providing approximately 24,000 vacant units as part of a projected housing need for 2005-2014 of over 730,000 units. This should provide additional housing in those areas that require more of a supply response to deal with the demand that is resulting in higher housing costs. He cited the language on page 39, paragraph 3 of the attachment.

With regard to diversity goals, the fair share housing goals locally, at the last meeting, an approach was provided based on county median incomes. The goal is to achieve equivalency with the city income distribution as a goal through the entire planning process.

The approach proposed today is setting local diversity goals based on local median income. These approaches are designed primarily to deal with only fair share adjustment and paction avoidance going forward over the forecast period and does not rectify past problems. This is a goal setting methodology that is consistent with current housing statute.

He continued that this approach would utilize the local median income of every community in southern California to help define their fair share in terms of diversity goals for the market overall. The goal is avoidance of any over concentration of any one income group.

Bruce Smith – Ventura County, raised concern with the statement that we have to choose a year where all communities verge together.

If every community within that county had the same proportions of the affordable housing index and applied that to that particular jurisdictions future growth, you will never actually reach the county total because the existing housing stock is not being changed.

The most significant option would be to try and redress what has happened with the existing housing stock over time.

Jeff Hamilton – City of Glendale, asked if the graphs represent some aggregation of county and cities or if they are example cities and example county in which cities exist.

Joe Carreras answered that they are the latter.

Julie Moore, LA County Planning, Asked how the goal is set to begin with for the counties as a whole for very low income or low income.

Joe Carreras answered that the income categories are defined by all of the residents in the county based on the Census 2000 then aggregated by those income groups to get the proportions. State law requires equivalency in terms of moving toward a distribution locally that matches the county income distribution of the last census.

Veronica Tam – City of Indian Wells/Coachella Valley, raised concern with some methodologies relating to impactation correction. Setting goals needs to be realistic and recognizing the market economics, the real estate market, and what kind of changes can actually effect over the 5 year period.

Debra Chenkin – Gateway Cities COG, asked for clarification of what is the advantage of this methodology that commends it to be recommended.

Joe Carreras answered that it conveys the message to communities that you need to address housing your own population in terms of the regional fair share plan. It allows for a greater than 100% adjustment for some of the poorer communities.

Jeff Hamilton – City of Glendale, asked for clarification of the 118% figures represented in the graph.

Frank Wen answered that this percentage is for high income cities, percentage of adjustment toward county allocation.

Larry McCallon asked how this gets us closer to goal of equalization of distribution.

Joe Carreras, answered that this approach is to provide a methodology for goal setting.

Paul Nowatka asked if the preliminary numbers will remain static.

Joe Carreras answered that these are the kinds of diversity goals each community would set for itself in the context of this overall construction need.

Mary Ann Krause raised concern that within her county, with inequity of where people live/work, it is unrealistic for the smaller communities that don't have the jobs, to have an unrealistically high goal for affordable housing.

Charles White asked for clarification of the analysis for total housing needs on page 44.

Frank Wen responded that this is based on the regional/county level growth forecast of population household employment growth and the future growth between 2005-2014 is projected for each county and then add replacement need and vacancy adjustment.

Mary Ann Krause asked if any standard deviation analysis been done on income level in comparison to the county average.

Frank Wen responded it has not been done and not considered.

Joe Carreras responded that one of the key measures looked at by the state when they evaluate the Regional Housing Needs Assessment at the end of the process is whether or not we have maintained the regional total as well as the affordable housing need total.

Chair Edney called a brief recess at 12:00 Noon.

The meeting resumed at 12:20 p.m.

Tracy Sato – City of Anaheim suggested a look be taken at 125% as an option.

Joe Carreras responded that the numbers could be looked at although the size of the adjustments would be more inequitable between central cities and smaller communities.

Mary Ann Krause indicated that she would like to see the numbers for 125%.

Chair Edney asked staff to prepare the numbers on an example city for Mary Ann Krause.

Hasan Ikhata responded that there is a way to control for the total. There is a scenario that will allow for 110% or 125% adjustment.

Chair Edney raised concern with the 110% option could create a very unrealistic situation in certain cities.

Tracy Sato – City of Anaheim commented that the percentages when calculating at 110% are not huge because the disparity between your low income cities. Instead of getting the 21.4% of the county median it gets 20%. Your high end

jurisdictions if you take the 21.4% - 14.9% and 10% get approximately another 1% instead of 21.4% they get 22%. Utilizing 110% and using county median as basis and not further analyzing local median option.

Chair Edney raised concern with utilizing county median instead of city median because within counties there is a large disparity in different cities.

Chair Edney called a brief recess at 12:55 p.m.

The meeting resumed at 1:00 p.m.

It was MOVED (Hon. Larry McCallon), SECONDED (Hon. Charles White) to, in terms of fair share adjustment, to go to 110% adjustments with direction, with further analysis by staff which will be discussed at the CEHD meeting, using the county-wide distribution as the base. The motion carried 4-2 by the following roll call vote: Riverside – AYE, Orange – AYE, Ventura – NO, Los Angeles – NO, San Bernardino – AYE, Imperial – AYE.

6.1.2 Recommendations for Policy Guidance to Prepare the RHNA Methodology and the Regional Needs Allocation Plan

Lynn Harris reported that this report starts off with identifying those policy factors that the committee was asked to work on, Farm workers Housing Needs, The Loss of At Risk Low Income Units, Housing Cost Factors, Housing Demand Factors, and the Fair Share Question, and Policies to Mitigate Over concentration of Low Income Households.

The report includes the summary of the committee's work over their past 4 meetings, including today's actions. If this report is approved by the committee, it will be provided to the CEHD, including a further summary report indicating these are the recommendations.

Lynn Harris reminded the group that there was discussion of utilizing the 2.7% census based housing rate for all housing types. This group asked that we go to the TAC to ask their opinion of the matter. The TAC reported consensus that they recommend we utilize a 3.5% vacancy rate for all jurisdictions but that it be broken down by renter and owner status rather than across the board.

It was MOVED (Hon. Larry McCallon), SECONDED (Hon. Charles White) to approve the TAC recommendation of 3.5% vacancy rate. The motion carried UNANIMOUSLY.